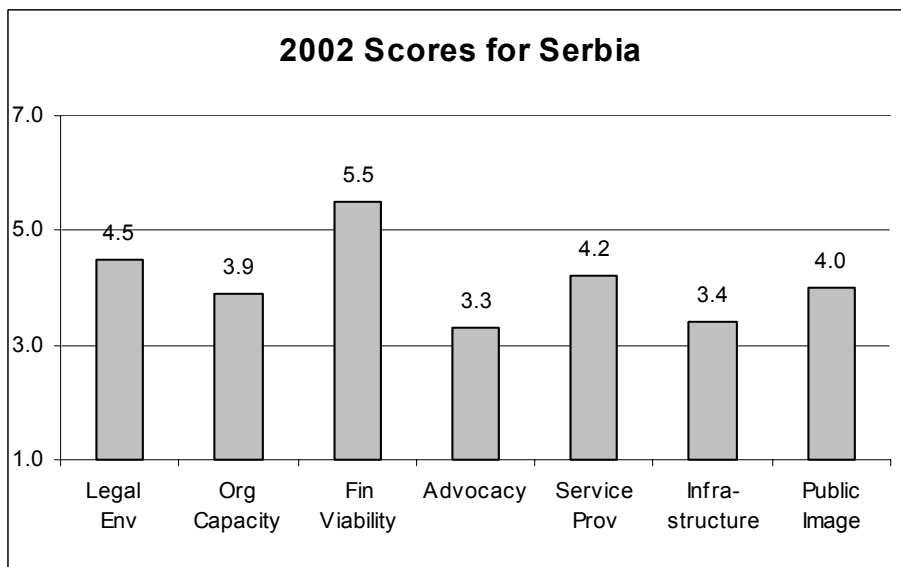


SERBIA



Capital:
Belgrade

Polity:
Parliamentary
democracy

Population:
8,227,290

**GDP per capita
(PPP):** \$2,300

NGO SUSTAINABILITY: 4.1

Two years after a civil society-driven political transition brought a democratically-oriented coalition to power in Serbia, non-governmental organizations remain critical

NGO SUSTAINABILITY

2002	4.1
2001	4.1
2000	4.5
1999	5.4
1998	5.4

in bringing citizens' issues to the attention of government, protecting individual rights and freedoms, monitoring government performance, and providing a host of services to citizens at the grass roots level. In 2002, NGOs helped bring about legislation that protects minority rights as well as draft laws on sexual harassment and freedom of information. They engaged in dialogue with government on a host of sensitive issues ranging from trafficking in persons to police reform, and helped to advance Serbia's regional reintegration by working with

government to reduce barriers to travel between Serbia, Bosnia, and Croatia.

There are now 4,000 registered NGOs in Serbia, up from only 196 in 1994 and almost double the number of NGOs registered in 2000. While only a small percentage of these organizations is strong and active, the growing number of groups is an indication of a liberalizing attitude towards NGOs and their function in society. Nevertheless, NGOs continue to exist within a precarious operating environment. While Government regularly taps NGOs as a key resource on a host of policy issues, it is less tolerant of civil society's essential role as advocate and watchdog.

Serbia's transition is still in an early stage and Serbian NGOs are still trying to define new roles and arenas for activism. More often than before, ad-hoc coalitions are being formed, and while still nascent, issue-based advocacy is on the rise. In addition, new social priorities are emerging,

the most significant of which are trafficking in persons, human rights protections, and the development of democratic decision-making in local communities.

Just as prior to 2000, indigenous funding sources are nonexistent, and will likely only grow after Serbia's largely dormant economy begins to revitalize. The legal framework for NGO operation remains weak, with a noticeable tendency towards

governmental control and influence over NGO activities. When confronted with government heavy-handedness and a disturbing tendency to bring civil society in very late in discussions of policies affecting their operations, civil society has been somewhat slow to unify and react. NGOs have made only limited progress in engaging a somewhat apathetic and increasingly frustrated citizenry in their activities.

LEGAL ENVIRONMENT: 4.5

NGOs in Serbia continue to wait for the reformist government that they helped propel to power in 2000 to pass more favorable

LEGAL ENVIRONMENT	
2002	4.5
2001	5.0
2000	5.0
1999	6.0
1998	5.0

NGO legislation. As draft legislation continues to languish in Parliament, NGOs remain governed by a poorly defined set of legislation that includes a regressive

1982 Serbian law, the 1989 Serbian Law on Foundations and Endowments, and a more liberal Federal law dating from 1990.

Despite the problematic and outdated legislation, local NGOs are able to register with relative ease, with most organizations choosing to register under the more liberal 1990 Federal law. However, while NGOs can register with little difficulty under this legislation, they must claim to work across the territory of the Federation, even though few do in reality. International organizations, on the other hand, find it very difficult to register under the current legislative framework. As a result, many international organizations are not registered, often operating only under the bilateral agreements signed by their home countries.

The poorly defined nature of the current legislation would seem to allow state interference. In practice, however, the state lets NGOs operate freely. Unlike most

other topics, NGO dissolution is well-defined under current legislation and NGOs are provided with a reasonable level of protection in this regard.

NGOs do not pay taxes on grants, and receive some limited tax exemptions on income generated depending on the amount earned. Currently, individuals do not get any deductions on contributions to NGOs, while companies receive limited deductions if they contribute to certain kinds of NGOs.

New NGO legislation was drafted over a year ago, and has been sitting in Parliament ever since. NGOs had significant input during the drafting of this legislation, and feel that it will represent a major improvement over the current situation, even though it does not address some important issues, including taxation. While there is some indication that Parliament will debate the legislation in the near future, other priorities may delay this further.

There are other signs that the legal framework for NGO operations is fragile. In the fall of 2002, the Ministry of Foreign Economic Relations submitted a draft law on donations that proposed extremely retrograde central government controls over NGOs receiving contributions from foreign or domestic sources. This law was accepted by the government and well on its way towards passage before any NGOs

were asked to review it. Intense pressure from the donor community and local and international NGOs helped convince the ministry to shelve this proposed legislation. As of this writing, no new draft legislation has been released.

Capacity within the legal sector to provide legal advice and assistance to NGOs is limited. There is little literature available in local languages, and no courses are taught in law schools. The Center for the

Development of the Non-Profit Sector (CRNPS) and the Yugoslav Lawyers' Committee for Human Rights (YUCOM) provide some assistance and advice to NGOs on legal matters. CRNPS has published several booklets on legal issues and uses its regional centers to provide legal assistance to NGOs outside of Belgrade. CRNPS also plans to train lawyers on the new NGO legislation, once it is finally passed.

ORGANIZATIONAL CAPACITY: 3.9

Established NGOs continue to increase their level of organizational sophistication. At the same time, nascent organizations

ORGANIZATIONAL CAPACITY

2002	3.9
2001	4.0
2000	4.5
1999	5.0
1998	5.0

with little organizational capacity are proliferating throughout the country. While in most cases, NGOs view donors rather than citizens as their

constituents, some NGOs – particularly those working on a local level – do make an effort to develop true local constituencies. Overall, however, citizens still lack an understanding of the role of NGOs in society and NGOs have not made concerted efforts to remedy this situation.

A significant number of NGOs operate with a clearly defined mission and vision that guides their work and many are attempting to do some strategic planning to guide their work. As a general rule, older NGOs have a better defined mission and sense of purpose and are more focused

on the needs of their beneficiaries than new organizations that are often formed in response to the availability of donor funds.

Legally, NGOs are required to have a board of directors, but the degree to which the boards function varies considerably, with many NGOs unconcerned about formally adhering to their statutes. Few organizations have permanent paid employees. Instead, most organizations hire employees on a project-by-project basis. In general, volunteerism within the NGO sector is not well-developed. Few organizations have structured ways to recruit and manage volunteers and few people understand the benefits of volunteering or have the time to do so. With a few notable exceptions, such as OTPOR and CeSID, those organizations that do utilize volunteers do so on an ad-hoc basis and generally draw volunteers from their circle of friends and family. The number of organizations with their own computers, email and websites is constantly growing.

FINANCIAL VIABILITY: 5.5

The majority of Serbian NGOs remain heavily dependent on foreign donor fund-

FINANCIAL VIABILITY

2002	5.5
2001	6.0
2000	6.0
1999	6.0
1998	6.0

ing. As a result of the stagnant economy, local support, if available at all, generally comes in the form of volunteer time or other in-kind support, rather than financial contributions. NGOs' efforts to raise money locally are further hampered by the overall lack of trust in society. While NGOs remain dependent on money from foreign donors, most organizations at least attempt to diversify the sources of their funding from multiple donors.

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Financial management continues to be a significant problem within the NGO sector. The legal framework provides little guidance on this issue. Furthermore, few NGOs have a dedicated finance person and many advanced NGOs feel that foreign donors do not take auditing seriously, thereby wasting an opportunity to encourage good financial practices.

The concept of fundraising is developing slowly. Some larger organizations have a fundraising strategy and there are some efforts to raise funds in local communities. There are a few examples of organizations successfully raising money by charging for their services, but this is still rare. Few organizations charge membership fees.

ADVOCACY: 3.3

NGO-government cooperation, at both the federal and local levels, continues to improve slowly, albeit with a tendency to-

ADVOCACY

2002	3.3
2001	3.5
2000	4.0
1999	6.0
1998	6.0

wards excessive government control of government-NGO partnerships. As reported in recent editions of the Index, many government officials have NGO backgrounds, and therefore both understand what the sector has to offer and have extensive contacts within the sector. This does not guarantee that they work effectively with NGOs, however, as many take their experience from a time when NGOs enjoyed access to an extremely large pool of donors funds subject to fewer restrictions and controls than are present today. Tensions sometimes arise when these officials design programs that NGOs are expected to implement, while disregarding the now more stringent requirements international donors attach to grant funds. Much of the cooperation between

wards excessive government control of government-NGO partnerships. As reported in recent editions of the Index, many government officials have NGO

government and NGOs can be attributed to personal contacts, rather than an institutionalized mechanism for NGOs and government to work with each other. In certain municipalities, however, more formalized cooperation exists, particularly between environmental organizations and local governments.

NGOs have had great success over the course of the past year in advocating to get laws passed or to raise certain issues in the public eye. Among recent achievements, a coalition of women's and human rights organizations succeeded in getting Parliament to change the criminal code to criminalize violence against women. A campaign led by NGOs on minority rights led to the formation of an inter-ministerial group to look at the issue in greater depth, which ultimately led to the adoption of the Federal Law on Ethnic and National Minorities. As described above, NGOs have also played a role in advocating the government to improve the draft NGO law that is pending before Parliament.

SERVICE PROVISION: 4.2

NGOs provide a variety of services in the fields of economic development, environment and governance, but are not very involved in the provision of basic social services, including health, relief, housing and water. Some NGOs do provide services to refugee communities.

SERVICE PROVISION	
2002	4.2
2001	3.8
2000	4.0
1999	4.0

NGOs strive to ensure that the goods and services they provide reflect the needs and priorities of their constituencies and communities. For example, NGOs provide training to municipalities on the Local Self-Governance Reform. There are also examples of NGOs working with state hospitals and schools to teach them how to

write proposals and utilize the services of volunteers. Other NGOs provide training to media outlets, parliamentarians and members of the judiciary.

Some NGOs have started to charge their clients for the goods and services that they provide, but this is still quite rare and there are no known examples of NGOs charging for the training courses that they offer. Local and federal governments have begun to recognize the value that NGOs can add in the provision of services and some government agencies, including the Ministries of Social Affairs, Education and Sports, have begun to support NGOs' service provision efforts. Such support, however, is still not systematic, varying considerably by ministry, municipality, and issue.

INFRASTRUCTURE: 3.4

Despite the drop in score for this dimension, the support network for Serbian NGOs continues to develop. A number of

INFRASTRUCTURE	
2002	3.4
2001	3.0
2000	4.0
1999	5.0

NGO resource centers exist throughout the country. CRNPS has had a center in Belgrade for many years and opened seven regional centers in the last year. While Civic Initiatives only has one Belgrade-based office, they are in contact with over 1,000 NGOs, to whom they provide training, consulting, library services, publications, and space for events. Other organizations provide support to NGOs working in a given region or within a certain field, such as women's rights. Given the ongoing scarcity of locally-raised funds, there are no community foundations or organizations that award grants from locally generated money. However, there are a few organizations, including Civic Ini-

tiatives, the Regional Environmental Center and the Open Society Foundation, which re-grant international donor funds.

Over the past two years, NGOs have greatly increased the amount of information that they share with their peers through newsletters, brochures, etc. Although few formal coalitions exist, there are many informal coalitions, including the Forum of Yugoslav NGOs, through which information is also shared. Inter-sectoral partnerships are also becoming more widespread, although there has been more success developing partnership with government than with business. NGOs and media generally cooperate well, particularly at the local level.

Capable local trainers offer courses throughout Serbia in fields ranging from basic NGO management to more specialized areas such as strategic management, fundraising, volunteer

management and advocacy. Courses in accounting and financial management

have also been added to the offerings recently.

PUBLIC IMAGE: 4.0

While NGOs continue to benefit from a largely positive public image in Serbia, they are no longer in the spotlight as they

PUBLIC IMAGE	
2002	4.0
2001	3.5
2000	4.0
1999	5.5
1998	5.0

were in the period immediately preceding and following the ouster of Milosevic, thereby explaining the drop in score from last year. Media coverage of the NGO sector has improved since Milosevic times, but there is still much work to be done in this area. Media coverage is significantly more robust at the local level. Another issue is that media outlets do not distinguish between corporate advertising and public service announcements (PSAs), charging equal air time for both, and therefore making it too expensive for most NGOs to buy coverage to publicize their campaigns. There are, however, some examples of media providing free coverage to NGO campaigns; for example, Studio B and B92 provided free coverage

for a campaign to improve the situation of women in the labor market.

The public's perception and understanding of NGOs is slowly improving, particularly in small communities and cities. While government officials, particularly at the local level, have begun to recognize the value of NGO activities and input, NGOs remain off the radar screen for most businesses. NGOs, particularly larger, more established ones, have started to actively work to publicize their activities and promote their public image, but this is still not done sufficiently.

Self-regulation is not well practiced within the NGO sector. Since the law does not require NGOs to do so, few NGOs publish annual reports, although some publish programmatic reports on occasion. NGOs do not have a written code of ethics, but some organizations do try to adhere to an unwritten code.